

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 13-140—sHB 6433

Labor and Public Employees Committee

**AN ACT CONCERNING TECHNICAL AND OTHER CHANGES TO THE
LABOR DEPARTMENT STATUTES**

SUMMARY: This act makes several changes to the Individual Development Account (IDA) program and the Incumbent Worker Training Program. It also repeals the tax credit for hiring people receiving benefits from the temporary family assistance program.

The act makes numerous minor and technical changes in the Labor Department statutes, including repealing several obsolete provisions.

EFFECTIVE DATE: Upon passage

§§ 1 & 2 — IDA PROGRAM

The IDA program helps low-income people build assets. The Department of Labor (DOL) oversees the program, which is administered at the local level by participating community-based organizations.

The act allows IDA participants to use money saved in IDAs for a variety of specified purposes, instead of limiting it to one, as under prior law. The purposes include (1) obtaining education or job training, (2) purchasing a home, (3) starting a business or joining an existing one, (4) buying a car for work, (5) making a lease deposit, or (6) paying for a child's education or job training. By law, the state contributes a maximum of \$2 for every \$1 a participant contributes up to a limit of \$1,000 per calendar year with a \$3,000 maximum per participant. The act eliminates the \$1,000 annual limit.

The act requires that state matching IDA funds forfeited by an IDA account holder be kept in the local reserve fund for a new account holder to use, instead of being returned to DOL's IDA reserve fund by December 31 of each year. It also requires that state matching IDA funds be returned to the IDA reserve fund if they remain unused after five years for any reason, rather than just because the IDA participant stopped making contributions.

§ 16 — INCUMBENT WORKER TRAINING PROGRAM

The act renames the former Twenty-First Century Skill Training program as the Incumbent Worker Training Program and requires that 50% of funds appropriated for the latter program be used for companies that have not received this funding in the previous three years.

By law, and unchanged by the act, the program's purposes are to (1) sustain high-growth occupation and economically vital industries and (2) assist workers in obtaining skills to start or move up their career ladders. By law, "incumbent workers" mean individuals who are employed in this state, but who need

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additional skills, training, or education to upgrade their employment.

The act requires the labor commissioner to (1) allocate funds for the program on a regional basis and (2) prescribe the program's application form. By law, DOL, in collaboration with the state's regional workforce development boards, administers the incumbent worker program. The act permits the labor commissioner to designate an entity to administer the program in each region (presumably the regional boards).

OTHER CHANGES

The act also makes numerous other changes. It:

1. repeals the tax credit for hiring people receiving benefits from the temporary family assistance program (§ 22);
2. repeals the law creating the Advisory Council on Displaced Homemakers (§ 3);
3. adds the insurance and consumer protection commissioners to the Joint Enforcement Commission on Employee Misclassification and requires it to report every two years instead of annually (§ 8);
4. removes an obsolete provision on employers' requiring an employee to work on his or her Sabbath day (see BACKGROUND) (§ 17);
5. requires DOL to share unemployment information with (a) nonpublic entities that it contracts with to administer the unemployment system and (b) third parties, if the individual or employer to whom the information pertains provides written, informed consent (§ 18);
6. repeals the law prohibiting the state from awarding contracts to persons or firms that state DOL lists as having violated the National Labor Relations Act or been found in contempt of court over failure to remedy violations at least three times over a five year period (§ 22);
7. repeals (a) the Fair Wage Board statute, (b) the prohibition against retaliating against an employee for serving on a wage board, and (c) related references to the wage board (§§ 9, 13, 14, 15 & 22); and
8. removes several reporting requirements, including: (a) employer reporting on the impact of the Family Medical Leave Act; (b) a list of employers disqualified from bidding on state projects because of National Labor Relations Act violations or having been found in contempt of court over failure to remedy violations; and (c) federal Workforce Investment Act funding received for young adult programs for teenage parents and those at risk of dropping out of school (§§ 4 & 22).

BACKGROUND

Courts Invalidated Connecticut Sabbath Law

In 1985, the U.S. Supreme Court affirmed a lower court's decision invalidating a state law that protected employees from being fired for refusing to work on the employee's chosen Sabbath day. The U.S. Supreme Court held, "The Connecticut statute, by providing Sabbath observers with the absolute and unqualified right not to work on their chosen Sabbath, violates the Establishment

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Clause. To meet constitutional requirements under the clause, a statute must not only have secular purpose and not foster excessive entanglement of government with religion, its primary effect must not advance or inhibit religion” (*Estate of Thornton v. Caldor Inc.*, 472 U.S. 703 (1985)).

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